

ER-5-6432

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT : Suspension of Accounting [REDACTED]

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REFERENCES : (A) Memorandum from Deputy Director (Plans) to Deputy Director (Administration) dated 20 April 1954, Subject: Same as above
(B) Attached Memorandum from Comptroller to Deputy Director (Administration) dated 28 May 1954, Subject: Disbursements Under [REDACTED]

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1. In your memorandum (Reference (A)) you called attention to a suspension of \$123,786.76 because of unauthorized disbursements, irregular accountings, and lack of adequate financial reporting on behalf of subject project. As a result of disclosures from an investigation of the project by the Inspection and Review Staff, you requested that (a) the Deputy Director (Administration) accept available documentation and explanations as accountings for the sum in question, and (b) an audit of this project be undertaken by the Auditor-in-Chief.

2. Upon receipt of your memorandum, I requested the Comptroller to make an initial review and analysis of the financial aspects of this project and to prepare a briefing for my action. Reference (B), attached hereto, is a copy of his Staff study.

3. I have made a careful analysis of the circumstances surrounding this project, and, considering our accounting treatment for CIA payments made to the project and expenditures incurred by the project, I concur in your recommendations that: (a) Available documents and explanations be accepted for the disbursement of \$123,786.76 under the [REDACTED] Project) as acceptable accountings for the expenditures in question subject to final audit of the project by the Auditor-in-Chief; and (b) The Auditor-in-Chief conduct an audit of the project, including the cover business, as soon as is practicable.

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4. I have requested the Auditor-in-Chief to initiate immediate action to undertake a complete audit of this project. Any further administrative action will be deferred, pending the submission of an audit report.

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L. K. WHITE
Deputy Director
(Administration)

Attachment:
Tab 1 (Reference B)

cc: Auditor-in-Chief
Comptroller

SA-DD/A:WEB:mrp (8 June 1954)

Distribution:

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1 - DD/A Subject: Proj mise- [REDACTED]

Cross Ref to . Acet 3- (Audit Reports)